Freddie Mac Confirms Disaster Relief Options for Homeowners As Hurricane Delta Nears

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MCLEAN, Va., Oct. 08, 2020 (GLOBE NEWSWIRE) -- Freddie Mac (OTCQB: FMCC) today reminded mortgage servicers of its disaster relief policies for homeowners as Hurricane Delta approaches Louisiana and other northern Gulf Coast states. Freddie Mac's disaster relief options are available to homeowners whose homes or places of employment are located in presidentially-declared Major Disaster Areas where federal individual-assistance programs are made available to affected individuals and households.

“Hurricane Delta will mark the fifth hurricane to hit the U.S. so far this season,” said Bill Maguire, Freddie Mac’s Vice President of Single-Family Servicing Portfolio Management. “Along with our mortgage servicers, Freddie Mac stands ready to provide immediate mortgage relief options to those affected by this latest natural disaster.”

Freddie Mac reminds homeowners the priority during a natural disaster is to get safely out of harm’s way. Once safe, homeowners whose homes or places of employment are impacted should contact their mortgage servicer—the company they send their monthly mortgage payments to— as soor as possible to talk about available mortgage relief options.

Mortgage servicers may immediately leverage Freddie Mac’s short-term forbearance programs to provide homeowners mortgage relief for up to 12 months without incurring late fees or penalties. Foreclosure and other legal proceedings are also suspended while homeowners are on a forbearance plan.

Once back on their feet, homeowners have several options to make up the missed payments, including additional forbearance, if needed.

- **Reinstatement.** The option for a lump sum payment is available, but never required, if the homeowner’s loan is owned by Freddie Mac. If possible, however, it is the fastest way to get back on track.
- **Repayment plan.** Homeowners pay more each month on top of their existing mortgage payment to make up the missed payments.
- **Payment Deferral.** This option is available if homeowners can resume making their regular monthly payment. With payment deferral, homeowners become immediately current on their mortgage and missed payments are added to the end of the mortgage term without interest or penalties.
- **Loan modification.** If a homeowner is facing a long-term financial hardship but can make a reduced mortgage payment, a modification may be the best option.

Freddie Mac also reminds servicers that its disaster relief options are available to affected homeowners outside the declared disaster areas if their home incurs a disaster-related insured loss that impacts their ability to make their mortgage payment.

Affected homeowners currently on a COVID-19-related forbearance or other relief plan, including from a previous natural disaster, should contact their servicer to discuss options.

Freddie Mac makes home possible for millions of families and individuals by providing mortgage capital to lenders. Since our creation by Congress in 1970, we've made housing more accessible and affordable for homebuyers and renters in communities nationwide. We are building a better housing finance system for homebuyers, renters, lenders, investors and taxpayers. Learn more at FreddieMac.com, @FreddieMac and Freddie Mac's blog.

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